AMERICAN PRESIDENT COMPANIES, LTD.

June 24, 1993

Mrs. Donna R. Searcy
Secretary
Federal Communications Commission
Washington, D.C. 20554

Re: RM No. 8013, PR Docket No. 93-61

Dear Ms. Searcy:

I am writing on behalf of American President Companies, Ltd. ("APC") to express our views on the above-referenced Notice of Proposed Rulemaking ("NPRM") recently issued by the Federal Communications Commission. The NPRM would substantially revise the rules pertaining to automatic vehicle monitoring systems. We understand that the NPRM embodies the requests of PacTel/Teletrac set forth in a Petition for Rulemaking (herein so called) that it filed last year. APC filed comments in opposition to the Petition for Rulemaking (See my letter of July 16, 1992, to the Secretary.) For the reasons noted therein and herein, APC continues to oppose the proposed licensing scheme set forth in the NPRM.

APC is one of the largest United States based intermodal transportation companies. APC transports cargo throughout the Pacific Rim using several major APC operated port facilities on the United States West Coast and numerous major port facilities in Asia and the Middle East. APC also ships cargo throughout North America on company-owned rail cars using its 20-30 inland rail terminals located in the United States and Mexico. APC owns and operates 23 ships and approximately 176,000 intermodal containers, chassis, and rail cars.

APC understands that the NPRM, if adopted in its present form, would grant exclusive future use of the 904-912 MHz and 918-926 MHz portion of the spectrum to PacTel/Teletrac and other operators of pulse ranging multi-lateration systems. As presently drafted, the NPRM would only allow 10 MHz of spectrum for use by non-PacTel/Teletrac systems.

APC is adamantly opposed to any grant of large blocks of spectrum to the exclusion of other current and future users of the 915 band for the following reasons: (1) it would deny this portion of the spectrum to APC and other transportation companies in connection with the increasing industry-wide use of Automatic Equipment Identification ("AEI") technology; (2) it would interfere with the implementation of national and international standards that have been developed to facilitate the worldwide movement of intermodal and other transportation containers (as well as a variety of other transportation equipment);

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and (3) it runs contrary to the public interest in shared use of the radio spectrum, which is a limited and public resource; and (4) it would discourage future investment in the radio wave technology to know that monopoly concessions may be granted after substantial effort and expenditures of financial and other resources had been made..

APC has studied extensively, and has been an early proponent of, the use of AEI technology in the transportation industry. APC started experimenting with AEI technology in the early 1980s and conducted numerous thorough tests and studies over the years in cooperation with other United States flagship intermodal carriers under the auspices of the United States Maritime Administration. A performance specification was developed as a result of these studies. This group of carriers then tested different types of technologies and concluded that reflected energy modulated backscatter technology was the only technology that met the standard.

Earlier this year, APC announced its implementation of a worldwide "rollout" of AEI equipment. This "rollout" would consist of tagging with transponders its intermodal containers, chassis, and rail car fleet and installing transponder readers at its port facilities and inland terminals. The "rollout" could potentially involve the tagging of approximately 180,000 pieces of transportation equipment and the installation of 100 lanes of AEI equipment at more than 35 locations, as well as applications on our transtainers and cranes. The AEI equipment we have installed to-date operates in the 902-928 MHz portion of the frequency spectrum. Use of more than 10 MHz of spectrum will be essential in those common situations where many readers must operate in close proximity within the confines of APC's hub terminals.

The grant of exclusive use of broad portions of the 915 band to PacTel/Teletrac and similar operators would threaten APC's application of AEI technology as well as the future commercial viability of AEI technology in general. Moreover, monopolistic use of broad portions of the 915 band would interfere fundamentally with the implementation of standards relating to the use of AEI equipment adopted by the International Standards Organization ("ISO") (ISO 10374), the American National Standards Institute ("ANSI") (standard MH5.1.9-1990), the American Association of Railroads ("AAR:") (standard S-918), and the American Trucking Association ("ATA").

APC was in the vanguard of the effort to develop the ISO standard and was a strong supporter of both the AAR and ATA standards. These standards were developed concurrently and are compatible with one another. Implementation of AEI applications in conformity with these standards will result in a "seamless" system for tracking the movement of transportation equipment throughout the world, regardless of whether such equipment moves by air, rail, truck, or ship.

Each of these standards contains detailed specifications relating to the use of AEI equipment and each specifically permits operation in the 902-928 MHz spectrum, while the AAR standard requires operation in this portion of the spectrum to allow for the use of beam powered tags. For example, the AAR adopted a mandatory standard that specifically requires each rail car used in interchange service in North America to be outfitted with two tags and designates 912 MHz as the primary frequency for single readers. Readers will be placed at intermittent locations along the tracks and in a number of proximate locations in rail terminal yards to pick up the radio signals reflected by the tags.

At great expense, APC and many other members of the transportation industry have already begun implementing AEI applications to conform to the standards of the ISO, ANSI, AAR, and ATA. Indeed, in response to the AAR mandate, APC has begun tagging its rail fleet.

Since these standards specifically designate 902-928 MHz as the frequency and since we require the use of multiple readers at different frequencies, the grant of exclusive use of a broad portion of the 902-928 MHz spectrum to PacTel/Teletrac and similar users would clearly interfere with our ability and the ability of others to comply with these standards. These national and international standards were developed at significant cost (both in terms of money and effort) by the parties involved. As an example, the international investment in tags for intermodal containers alone could approximate several hundred million dollars, assuming the tagging of the entire international intermodal fleet, which consists of approximately 4.5 million intermodal containers (60% of which are passing through the United States at any one time). The exclusive grant of huge chunks of the 915 band to PacTel/Teletrac would certainly frustrate the efforts of the transportation industry to implement workable AEI applications that conform to these new international and national standards.

Furthermore, APC opposes the NPRM's proposal because it believes that a grant of exclusive use of broad portions of the spectrum to PacTel/Teletrac is not in the public interest. The operation of the 902-928 MHz spectrum has historically been on a shared basis. This is certainly appropriate, since the spectrum is, after all, a limited public resource. Shared use of the spectrum allows multiple beneficial users of the spectrum to compete in the marketplace with their products. It is noted that PacTel, as a regulated company accustomed to operating in a limited competition environment, has now taken steps to enshrine its AVM technology as a monopoly by seeking exclusive use of broad portions of the radio spectrum and thus again to limit its competition. As in its earlier filing, APC questions rigorously whether public policy should allow PacTel's use to be to the exclusion and serious commercial detriment of all other users of the same spectrum, many of whom have already made substantial investments and operating commitments.

This attempt at exclusivity is particularly questionable since, as we understand it, the PacTel/Teletrac technology may not be engineered robust enough to successfully operate in a shared environment. It is noteworthy that the AEI equipment used by APC and others is robust, has little potential to cause harmful interference, and is designed to operate in a shared spectrum environment.

Finally, as a California-based company, APC feels it is important to invite the Commission's attention to certain statutory and regulatory developments in the State of California pertaining to AEI technology and the frequency spectrum sought to be monopolized by PacTel. In response to a California statutory mandate, the California Department of Transportation recently adopted a state-wide automatic vehicle monitoring transportation standard. This standard requires use of the 902-928 MHz band. PacTel's exclusive use of extensive portions of this band would obviously significantly interfere with the implementation of this standard, which was the result of years of discussion and hard negotiation.

In summary, we oppose the PacTel petition because it denies the use of this portion of the spectrum to accommodate the vital and increasing employment of AEI technology in an essential industry, it interferes with the implementation of national and international transportation standards that APC and others in the transportation industry have invested enormous sums of money and time in developing, and it is not in the public interest. Accordingly, we trust that the FCC will not approve the proposed licensing scheme set forth in the NPRM and will preserve for use by APC and others similarly situated the amount of the 902-928 MHz spectrum that is currently available for AEI applications.

Very truly yours,,

James S. Marston
Senior Vice President and
Chief Information Officer

JSM/kdg